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ABSTRACT

This research tests the hypothesis that trust is a prerequisite for the exchange of information about needs and priorities in negotiation. Bargainers who do not trust one another will fail to exchange information because they fear exploitation. Aspiration level and trust were manipulated in a simulated bargaining task. Bargainers induced to trust each other exchanged high levels of information about their profit schedules, but only when instructed to achieve high profits. Low trust led to high levels of competitive behavior under the same high aspiration conditions. A general conclusion of the study is that in mixed-motive situations, people tend to match each other's levels of cooperation to the extent that they feel mutually dependent, and to mismatch levels of cooperation to the extent that they feel independent. (Author/NG)

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(1) The impact of trust on information exchange in bargaining.

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(3) --

(4) Aspiration level and trust were manipulated in a simulated bargaining task. Bargainers induced to trust each other exchanged high levels of information about their profit schedules, but only when instructed to achieve high profits. Low trust led to high levels of competitive behavior under the same high-aspiration conditions.

(5) bargaining
group process
social interaction

(6) Slides will be used.

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(1) Title: The Impact of Trust on Information Exchange in Bargaining

(2) Problem or Major Purpose: The main purpose of this research was to test the hypothesis that trust is a prerequisite for the exchange of information about needs and priorities in negotiation. We were interested in information exchange because our earlier research (Schulz, Pruitt and Lewis, 1974) had shown that, in sufficiently large amounts, it contributes to the development of agreements involving high joint profits. Trust was defined as the perception that the other bargainer is cooperatively oriented. We reasoned, as do Walton and McKersie (1965), that bargainers who do not trust one another will fail to exchange information because they fear exploitation.

(3) Subjects: The subjects were undergraduate students participating for research credits in introductory psychology courses.

(4) Procedure: The task employed in our study closely resembled that used in our previous research on integrative bargaining (Pruitt and Lewis, 1975). Subjects played the roles of buyer and seller in a wholesale appliance market. They were instructed to reach agreement on the prices of three commodities: televisions, vacuum cleaners and typewriters. Each had a profit schedule, which could not be shown to the other. In the buyer's schedule, TV's had the highest and typewriters the lowest profit potential. These priorities were reversed for the seller. Hence the task permitted logrolling, in the sense that both parties could achieve high profits by exchanging concessions on their low-profit items. All subjects were given a problem-solving (PSO) orientation, i.e., instructed to try to maximize their own profits but also to be concerned with the other bargainer's needs.

The basic design was a 2 X 2 X 2 factorial, involving high and low aspirations (A), high and low trust (T), and sex (S). High aspirations (HIA) were produced by telling the subjects privately that the firms they represented had set a lower limit of $2300 on the profits to be achieved in the negotiation;

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low aspirations(LoA) by providing a limit of $2000. This variable was included because it had interacted with orientation variables in previous studies. Trust was manipulated in two confounded ways: Under high trust (HiT), subjects received a questionnaire allegedly filled out by the other bargainer, which pictured him as a highly cooperative person. They were also given the PSO instructions in a joint session. Under low trust (LoT), the other was portrayed as a self-centered person and the PSO instructions were given in separate briefing sessions, so that the other's orientation was not known. An additional high-trust control condition was run under high limits, to assess the relative contribution of the two confounded dimensions of the trust manipulation. Here the other was portrayed as an altruistic person but the PSO instructions were given in separate sessions. Six dyads of each sex were randomly assigned to each of the five combinations of aspiration and trust. Subjects completed a questionnaire at the end of bargaining and were debriefed.

(5) Results or Findings: Results for the exchange of information about the numbers in the profit schedules can be seen in Table 1. More information was exchanged under HiA than under LoA ($p < .01$). There was also a significant A X T interaction ($p < .05$). Our hypothesis about the effect of trust was supported when aspirations were high, in that much more information was exchanged under HiT than under LoT. But the trend was somewhat in the opposite direction when aspirations were low.

Interestingly, a reverse interaction was found in several measures of competitive (distributive) approach, with (a) high limits producing a lot more competition under low trust than under high trust and (b) low limits producing somewhat more competition under high trust than under low trust. This interaction can be seen in Table 2, which shows the use made by men of standard competitive tactics, such as threats, positional commitments and put-downs

($p < .01$ for the A X T X S interaction). Women seldom employed these tactics ($p < .05$ for sex), so the trends in their data were inconsequential. Two other indices revealed the same interaction for both sexes. One was self-description as having behaved in a competitive fashion, data for which are shown in Table 3. The other was the ratio of first-person singular to first-person plural pronouns (I/We ratio), shown in Table 4. That this is a measure of competitive approach is suggested by its close relationship to the use of standard competitive tactics ($r = .62$ under HiL). The A X T interactions seen in both of these tables were highly significant ($p < .01$).

Results for the high-trust control condition were usually intermediate between those for the LoT and HiT conditions, but closer to the LoT results. This suggests that knowledge of the other bargainer's particular orientation to the task at hand had more effect on behavior than knowledge of his general character.

(6) Implications and Conclusions: The following is a possible explanation for the A X T interactions that showed up in all of our data: High aspirations induce a feeling of heightened dependence on the other party, in the sense that his help is especially needed in order to achieve one's aspirations. Such dependence forces a choice between (a) the problem-solving approach, in which there is sharing of information about needs and priorities in an effort to find a mutually acceptable solution, and (b) the competitive approach, in which an effort is made to force the other to be helpful. The former approach is preferred and will be chosen if the other party can be trusted. But if he cannot be trusted, only the latter approach is available. Low aspirations, on the other hand, produce a sense of relative independence from the other party. Under such circumstances there is some temptation to take advantage of him, especially if he seems to be a cooperative person who can easily be exploited.

Similar reasoning can be used to explain the results of experiments by Gruder (1971) and Marlowe, Gergen and Doob (1966). In both studies, the expectation of future interaction produced a tendency to imitate the other bargainer's apparent level of cooperativeness. In the latter study, there was a tendency to exploit the cooperative other when future interaction was not anticipated. It can be argued that the expectation of future interaction in these studies corresponds to high aspirations in our study in producing a feeling of dependence on the other party. All three studies could then be viewed as supporting the generalization that, in mixed motive situations, people tend to match the other's level of cooperation to the extent that they feel dependent on him and to mismatch his level of cooperation to the extent that they feel independent.

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Table 1.

Percentage of statements involving requesting or providing information about the numbers in the profit schedules (square root transformation).

	LoT	HIT	HIT Control
LoA	.158	.103	--
HiA	.208	.454	.145

Table 2.

Percentage of statements involving threat, positional commitment or putdown of the other bargainer (square root transformation). Male data only.

	LoT	HIT	HIT Control
LoA	.000	.030	--
HiA	.197	.000	.099

Table 3.

Perception of own competitiveness. Based on a 7-point semantic-differential scale with 7 = competitive and 1 = cooperative.

	LoT	HIT	HIT Control
LoA	2.71	3.38	--
HiA	3.38	1.92	2.54

Table 4.

I/Ne ratio (square root transformation).

	LoT	HIT	HIT Control
LoA	3.45	3.67	--
HiA	4.35	2.52	3.80